



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35377]

North Shore Railroad Company—Acquisition and Operation Exemption—PPL

Susquehanna, LLC

North Shore Railroad Company (North Shore), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to acquire a rail operating easement over approximately 7 miles of rail line (the Line) in Luzerne County, Pa., that PPL Susquehanna, LLC (PPLS), and Allegheny Electric Cooperative, Inc. (AEC), the owners of the Line,<sup>1</sup> had acquired previously from the Pennsylvania Department of Transportation (PennDOT).<sup>2</sup> The Line, a portion of the former Bloomsburg Branch, extends from the eastern terminus of North Shore's existing rail line at milepost 176.97 at

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<sup>1</sup> PPLS, a subsidiary of PPL Generation, LLC, is the operator of the power plant served by the Line and owns a 90% undivided interest in the Line and the power plant. AEC owns the remaining 10% undivided interest in the Line and the power plant.

<sup>2</sup> North Shore filed the notice of exemption on May 17, 2010. Because the notice raised a number of issues, the Board in a decision served on June 3, 2010, held the publication of the notice and the effectiveness of the exemption in abeyance and directed North Shore to file a copy of the parties' Rail Service Easement Agreement (Agreement) and additional information. Based on North Shore's response, which included a copy of the Agreement, the Board in a decision served on April 26, 2011, directed PPLS to respond to additional questions about its acquisition of the Line from PennDOT. PPLS responded on May 26, 2011, and on November 21, 2011, jointly filed with AEC a verified notice of exemption to acquire the Line, which the Board subsequently served and published in the Federal Register. See PPL Susquehanna, LLC & Allegheny Electric Coop., Inc.—Acq. Exemption—Pa. Dept. of Transp., FD 35576 (STB served Dec. 7, 2011); 76 FR 76490. On July 2, 2012, North Shore filed a revised copy of the Agreement which addressed the concerns expressed by the Board in the April 26, 2011 decision, regarding the extent of control PPLS, then the noncarrier owner of the Line, could exert over North Shore's proposed common carrier operations.

Berwick, to milepost 170.00 at the PPLS nuclear power plant near Hicks Ferry Road at Beach Haven.<sup>3</sup> From the point of connection with the Line, North Shore's line extends to an interchange with Norfolk Southern Railway. North Shore states that it provides the only connection between the PPLS nuclear power plant and any Class I railroad, and that it has operated the Line since 1984 for PennDOT and then for PPLS.<sup>4</sup>

North Shore certifies that the projected annual revenues as a result of the transaction will not exceed \$5 million and will not result in North Shore's becoming a Class I or Class II rail carrier.

The parties intend to consummate the transaction on the effective date of the exemption (30 days after the exemption is served and published).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than December 21, 2013 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35377, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington,

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<sup>3</sup> Based on the additional information that has been submitted, the description of the Line has been modified slightly from what appeared in the April 26, 2011 decision.

<sup>4</sup> In its notice of exemption, North Shore stated that it provided contract rail service on the Line. However, in a supplement to that notice, filed on August 13, 2010, in response to the Board's June 3, 2010 decision, North Shore stated that it provided common carrier rail service on the Line. In any event, North Shore will not become an authorized common carrier with respect to the Line until the effective date of this exemption.

DC 20423-0001. In addition, a copy of each pleading must be served on Richard R.

Wilson, 518 North Center Street, Ste. 1, Ebensburg, PA 15931.

Board decisions and notices are available on our website at:

“WWW.STB.DOT.GOV.”

Decided: December 11, 2012.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Jeffrey Herzig

Clearance Clerk

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